

91-022

July 8, 1991

PERS non-education employers

Changes in Plan II eligibility and implementation of partial service credit for PERS Plan I and Plan II

Substitute House Bill (SHB) 1268 of 1991 has changed the eligibility standard for PERS Plan II members and enacted partial service credit for both PERS Plan I and Plan II. These changes are effective September 1, 1991. This DRS Notice explains the new rules and how they will affect employers. The reference chart attached to this Notice provides information about eligibility and service credit in a convenient format.

PERS Plan II Eligibility

Effective September 1, 1991, PERS Plan II eligibility is established when an employee occupies a position which normally requires at least **70 hours** of work per month in at least five months during each year. In determining position eligibility, year means any 12-month period established by the employer to evaluate eligibility. Year in this context does not necessarily mean a calendar year or a fiscal year, though an employer may use one of these to evaluate a specific position.

This change may affect the eligibility of some of your positions. You should review your ineligible positions and determine whether they will become eligible as of September 1 when the new law takes effect. If you have employees who will become eligible under the new rules, have each of them complete a DRS Enrollment Form (if necessary); begin to report them on your transmittal report for the September 1991 earning period. (For more information about when the Enrollment Form is required, see DRS Notices 91-002 and 91-008.)

When you need to evaluate Plan II service for periods prior to September 1, 1991, use the eligibility standard that was in effect during the period the service was performed. The attached Eligibility and Service Credit Reference Chart should help you evaluate eligibility during earlier periods of service.

NOTE: The eligibility criteria will be the same for both Plan I and Plan II, effective September 1, 1991.

No Changes in PERS Plan I Eligibility

You will continue to determine PERS Plan I eligibility as you have in the past. An eligible position is one which normally requires at least 70 hours of work per month in at least five months during each year. In determining position eligibility, year means any 12-month period established by the employer to evaluate eligibility. Year in this context does not necessarily mean a calendar year or a fiscal year, though an employer may use one of these to evaluate a specific position.

Partial Service Credit

The standard for a member in an eligible position to earn a **full month** of service credit remains unchanged for both plans. A Plan I member must earn 70 or more hours of compensation in a month to receive a full month of service credit. A Plan II member must earn at least 90 hours of compensation in a month to receive full credit.

A member who occupies an eligible PERS position will earn a fraction of a month of service credit in any month in which he or she earns compensation for less than 70 (Plan I) or 90 hours (Plan II). The rules for earning partial service credit are as follows:

PERS Plan I/
member occupies an
eligible position

- The member who earns some compensation, but for less than 70 hours in a given month will earn $1\frac{1}{4}$ month of service credit

PERS Plan II/
member occupies an
eligible position

- The member who earns some compensation, but for less than 70 hours in a given month will earn $1\frac{1}{4}$ month of service credit
- The member who earns 70 hours or more of compensation but less than 90 hours will earn $1\frac{1}{2}$ month of service credit

Because members working in eligible positions will earn at least partial service credit in any month in which they earn compensation, employers should always withhold and report contributions on compensation earnable paid to

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eligible employees, effective with the September 1991 earning period. DRS Notice 91-019 notified you that you will no longer use transmittal status code "L" for any earning period after August 1991.

Questions?

If you have questions related to partial service credit or PERS eligibility, you may contact the DRS Membership Section at (206) 753-3113, SCAN 234-3113. Questions about transmittal reporting may be directed to the DRS Employer Relations Unit at (206) 753-8696, SCAN 234-8696.

George Northcroft
Director

1991 DRS Notices

Check this list to make sure you have received all DRS Notices that apply to you and/or your employees. If you need a copy of a Notice you did not receive, call the DRS Technical Writing Unit at (206) 586-4515, SCAN 321-4515.

Notice No.	Applies to/ Subject matter	Notice No.	Applies to/ Subject matter
91-001	All employers Transmittal report due dates	91-014	All employers Public hearings on proposed rules and amendments
91-002	PERS and TRS employers New Enrollment Form	91-015	All employers Final rules for interest charge on past-due accounts
91-003	LEOFF, Judicial, and WSP employers New Enrollment Form	91-016	School Districts, ESDs, and SPI TRS member contributions and work for non-TRS employers
91-004	PERS employers "PERS Disability Benefits" brochure	91-017	All employers Summary of 1991 retirement-related legislation
91-005	PERS employers Members' Annual Statements	91-018	All employers Member contribution refund form
91-006	LEOFF, Judicial, and WSP employers Members' Annual Statements	91-019	PERS, TRS, and LEOFF employers Changes in transmittal reporting
91-007	All employers Proposed rules for interest charge on past-due accounts	91-020	All employers Filing of final rules: WAC 415-114, 415-115, and 415-116
91-008	PERS and TRS employers Enrollment Form (DRS 101006)	91-021	All employers Interest charge and the new accounts receivable statement
91-009	LEOFF, Judicial, and WSP employers Enrollment Form (DRS 101006)	91-022	PERS non-education employers Plan II eligibility and partial service credit
91-010	Higher Education employers Transmittal report type codes		
91-011	PERS employers Employee suggestion awards		
91-012	Employers who submit non-automated transmittal reports Converting to an automated transmittal reporting format		

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91-013 **PERS employers (excluding State
agencies)**

Billings for Excess Compensation
charges
